

June 6, 2000

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DIVISION OF OIL, GAS AND MINING

Capy Am

Via 2<sup>nd</sup> Day UPS

Ms. Pam Grubaugh-Littig
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re:

Replacement Bond

Dear Ms. Grubaugh-Littig:

Due to a change in surety companies, I am enclosing one fully executed St. Paul bond which will replace the existing Liberty Mutual Insurance Company bond. I appreciate any assistance you can give me in promptly returning the expiring bond to my attention. This will enable us to be released from any further premium obligations associated with the expiring bond. Following are the details:

Principal: Mountain Coal Company, L.L.C.

 Permit #
 Expiring Bond
 Replacement Bond
 Amount

 ACT007016
 14-000-068-0005
 400
 641,443

In addition, I am also enclosing an updated Coal Reclamation Agreement.

I trust you will find the enclosures to be in order. If you have any questions, please do not hesitate to give me a call at (314) 994-2800.

Sincerely,

Stacy Carr

Risk Management Department

Enclosure

cc: Phil Schmidt, MCC